

PRESIDENT: Thank you. Senator Warner, please, then Senator Haberman.

SENATOR WARNER: Mr. President, members of the Legislature, I'd rise to oppose advancement of the bill as well. It has been pointed out many times that the original introduction of the bill was introduced because we have not had sufficient enforcement of existing use tax laws and probably the correction of border bleed ought to be addressed from that point of view more vigorously before we start exemption. Secondly, the argument of whether or not this bill should be advanced, or for that matter passed, based on whether or not there is adequate revenue to make it up, it is not an argument that...I understand those who are making it, but it is not an argument it seems to me really is the issue we ought to be dealing with. The simple facts are that we are not in a position to continue as we have somewhat in the past of adding to the list of exemptions. It boils down real simple. Senator Barrett has certainly reflected that in his comment, but it boils down real simple if you want to keep the rate of taxes low, whether it is sales or income or property for that matter, aside from keeping the budgets under control, the other things you've got to do is keep the base broad. And every time we narrow it a little bit, no matter how justified that one instance may seem to be when isolated from everything else, the fact remains that every time we make an exemption we increase the pressure upon the rates later on. And it has been my experience, I think back to the personal property tax and use a personal experience. I remember the year that our personal property tax went down \$2,000 and our property tax went up four to make up for the loss plus some and that wasn't really any big deal. And when I think back on it I would rather have had the base broad and the rate low or lower, and that is exactly what I think we're doing here along with other measures like it. Unless you really have a significantly unique tax policy reason for exemptions, they are very difficult to justify. And, finally, as I indicated on General File, as far as I am concerned I made a commitment when we took the property tax of the ad valorem property, personal property tax of equipment, the commitment was that we were not exempting it in total but rather provide a more equitable way to tax that property which was sales tax. That was true in 1969, 1971, it is true today, and I believe it was true then. While I, like others, would like to be able to go home to those portions of my district that is agriculture and say I voted for that tax exemption, I think what I am doing is giving them a short-term